



**GOLKUNDA DIAMONDS & JEWELLERY LIMITED**



**24<sup>th</sup>**

**ANNUAL REPORT  
2013-2014**



## **GOLKUNDA DIAMONDS & JEWELLERY LIMITED**

### **REGISTERED OFFICE**

G-30, Gems & Jewellery Complex - III,  
SEEPZ, Andheri (East), Mumbai - 400 096

### **BOARD OF DIRECTORS**

Mr. Kanti Kumar Dadha	(Chairman & Managing Director)
Mr. Karan Singh Baid	(Whole Time Director)
Mr. Arvind Dadha	(Whole Time Director)
Mr. B. K. Ashok	(Professional / Independent Director)
Mr. Gautam Dadha	(Independent Director)
Mr. Mangilal Maloo	(Independent Director)

### **BANKERS**

State Bank of India  
Bank of India  
Axis Bank Limited  
Punjab National Bank

### **AUDITORS**

M/s. A. J. Baliya & Associates  
Chartered Accountants  
Mumbai

### **COMPANY SECRETARY**

Priya Khandelwal

### **WORKS**

G-30, Gems & Jewellery Complex - III,  
SEEPZ, Andheri (East), Mumbai - 400 096

### **REGISTRAR**

Sharex Dynamic (India) Pvt. Ltd.  
Unit – 1, Luthra Industrial Premises, Safed Pool,  
Andheri Kurla Road, Andheri (East),  
Mumbai – 400 072.  
Tel.: 2851 5606 / 2851 5644  
Email : investor@sharexindia.com

### **DEMATERIALIZATION OF SECURITIES**

ISIN-INE798D01015

### **WEBSITE**

www.golkunda.com



## NOTICE

NOTICE is hereby given that the **24th Annual General Meeting** of the members of **Golkunda Diamonds & Jewellery Limited**, will be held at **“SUNCITY RESIDENCY HOTEL, Eden – Hall, 16th Road, Masheshwari Nagar, MIDC, Marol, Andheri (E) Mumbai – 400 093”** on **27th September, 2014** at 3.00 P.M. to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2014 and Statement of Profit & Loss for the year ended on that date together with report of the Board of Directors and Auditors thereon.
2. To declare dividend on Equity Shares for the financial year ended 31st March 2014.
3. To appoint a Director in place of Mr. Karan Singh Baid (Holding DIN: 00283224) who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Statutory Auditors and to fix their remuneration and in this regard to consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014, including any statutory modification(s) or re-enactment thereof for the time being in force, M/s. Motilal & Associates, Chartered Accountants (having Firm Registration No. 106584W) be and is hereby appointed as the Statutory Auditors of the Company, in place of M/s. A. J. Baliya & Associates, Chartered Accountants, who have expressed their unwillingness to be re-appointed as Auditors of the Company, and shall hold office from the conclusion of this 24th Annual General Meeting until the conclusion of 29th Annual General Meeting and their appointment shall be ratified at the every Annual General Meeting till 29th Annual General Meeting and in respect of whom the Company has received a special notice from a members, pursuant to the provisions of section 115 read with 140(4) of Companies Act, 2013, signifying his intention to propose the appointment of M/s. Motilal & Associates, as Statutory Auditors, on such remuneration as may be determined by the Board of Directors.”

### SPECIAL BUSINESS:

5. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:  
“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement(s), (including any statutory modification(s) or re-enactment thereof, for the time being in force), Mr. B. K. Ashok (holding DIN: 00922780), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, for five consecutive years with effect from the date of the Annual General Meeting to be held on 27th September, 2014 and whose office shall not, henceforth, be liable to determination by retirement of directors by rotation.”
6. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:  
“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement(s), (including any statutory modification(s) or re-enactment thereof, for the time being in force), Mr. Gautam Dadha (holding DIN: 00317378), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director, be and is hereby appointed as Independent Director of the Company, for five consecutive years with effect from the date of the Annual General Meeting to be held on 27th September, 2014 and whose office shall not, henceforth, be liable to determination by retirement of directors by rotation.”
7. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:  
“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement(s), (including any statutory modification(s) or re-enactment thereof, for the time being in force), Mr. Mangilal Maloo (holding DIN: 03041373), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director, be and is hereby appointed as Independent Director of the Company, for five consecutive years with effect from the date of the Annual General Meeting to be held on 27th September, 2014 and whose office shall not, henceforth, be liable to determination by retirement of directors by rotation.”



8. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 196, 197 and any other applicable provisions of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 (corresponding to Sections 198, 269, 309 and any other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the Companies Act, 1956) and subject to the requisite approval of the Central Government, if any required, the consent of the Company be and is hereby accorded to the re-appointment of Mr. Kantikumar Dadha (DIN: 00283289) as Managing Director of the Company (not liable to retire by rotation) for the further period of Three years with effect from 1st October, 2014 on payment of remuneration not exceeding Rs. 2,50,000/- per month including Basic Salary, House Rent Allowance and other Perquisites, Bonus, Performance Incentives, Commission and other additional perquisites as approved by Board from time to time as per the rules of the Company, in the exercise of its discretion, to grant increments and to alter and vary from time to time the terms and conditions of the said appointment, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.

The following perquisites however shall not be included in the computation of the ceiling on remuneration:

- (a) Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- (b) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service, and
- (c) Encashment of leave at the end of the tenure.

RESOLVED FURTHER THAT pursuant to the provisions of Section 203 read along with rules made their under, the consent of the members of the Company be and is hereby accorded for appointment / continuation of appointment of Mr. Kantikumar Dadha, Managing Director as Chairman of the Company w.e.f. 01.04.2014.

RESOLVED FURTHER THAT Mr. Kantikumar Dadha shall be entitled to the re-imbursement of all out of pocket expenses which may be incurred by him for and in the course of business of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, proper, expedient or desirable to give effect to this Resolution and/or to make modification as may be deemed to be in the best interest of the Company.”

9. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 196, 197 and any other applicable provisions of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 (corresponding to Sections 198, 269, 309 and any other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the Companies Act, 1956) and subject to the requisite approval of the Central Government, if any required, the consent of the Company be and is hereby accorded to the re-appointment of Mr. Arvind Dadha (DIN: 00317631) as Whole Time Director of the Company for the further period of Three years with effect from 1st October, 2014 on payment of remuneration not exceeding Rs. 2,50,000/- per month including Basic Salary, House Rent Allowance and other Perquisites, Bonus, Performance Incentives, Commission and other additional perquisites as approved by Board from time to time as per the rules of the Company, in the exercise of its discretion, to grant increments and to alter and vary from time to time the terms and conditions of the said appointment, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.

The following perquisites however shall not be included in the computation of the ceiling on remuneration:

- (a) Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- (b) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service, and
- (c) Encashment of leave at the end of the tenure.

RESOLVED FURTHER THAT Mr. Arvind Dadha shall be entitled to the re-imbursement of all out of pocket expenses which may be incurred by him for and in the course of business of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, proper, expedient or desirable to give effect to this Resolution and/or to make modification as may be deemed to be in the best interest of the Company.”

10. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 196, 197 and any other applicable provisions of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 (corresponding to Sections 198, 269, 309 and any other applicable provisions of the Companies Act, 1956 read with



Schedule XIII to the Companies Act, 1956) and subject to the requisite approval of the Central Government, if any required, the consent of the Company be and is hereby accorded to the re-appointment of Mr. Karan Singh Baid (DIN: 00283224) as Whole Time Director of the Company for the further period of Three years with effect from 10th November, 2014 on payment of remuneration not exceeding Rs. 2,50,000/- per month including Basic Salary, House Rent Allowance and other Perquisites, Bonus, Performance Incentives, Commission and other additional perquisites as approved by Board from time to time as per the rules of the Company, in the exercise of its discretion, to grant increments and to alter and vary from time to time the terms and conditions of the said appointment, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.

The following perquisites however shall not be included in the computation of the ceiling on remuneration:

- (a) Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- (b) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service, and
- (c) Encashment of leave at the end of the tenure.

RESOLVED FURTHER THAT Mr. Karan Singh Baid shall be entitled to the re-imbursement of all out of pocket expenses which may be incurred by him for and in the course of business of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, proper, expedient or desirable to give effect to this Resolution and/or to make modification as may be deemed to be in the best interest of the Company."

11. To consider and if thought fit, to pass with or without modification the following as Special resolution:

"RESOLVED THAT pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 1956 and of the Companies Act, 2013 including any statutory modifications, or re-enactments thereof and pursuant to the provisions of the Articles of Association of the Company, consent of the Company be and is hereby accorded to the Board of Directors of the Company to borrow from time to time, for the purpose of the Company's business any sum or sums of money for an aggregate amount outstanding at any point of time not exceeding Rs. 100,00,00,000/- (Rupees One Hundred Crore Only), (i.e. any component of borrowing repaid by the company to the persons / banker / lending institution will again be available to the company for borrowing as long as the said ceiling of outstanding amount) notwithstanding that the monies already borrowed by the Company, if any (apart from temporary loans obtained from the Company's bankers in ordinary course of business) may exceed at any time, the aggregate of the Paid-up Capital of the Company and its Free Reserves, that is to say, reserves not set apart for any specific purposes.

FURTHER RESOLVED THAT the Board of Directors or any person authorized by the Board or any individual Director holding position of a directorship as on the date of borrowing, from time to time be and is hereby empowered and authorised to take such steps as may be necessary for obtaining approvals, statutory or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto and to sign and to execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution."

**REGISTERED OFFICE:**

G-30, Gems & Jewellery Complex III,  
SEEPZ, Andheri (East),  
Mumbai-400 096

By and on behalf of  
THE BOARD OF DIRECTORS  
**GOLKUNDA DIAMONDS & JEWELLERY LIMITED**

Date: 26.05.2014

**KANTI KUMAR DADHA**  
(Chairman & Managing Director)

**NOTES:**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. Proxy form duly completed should be deposited at the registered office of the Company not less than forty- eight hours (48 hours) before the scheduled time of the Annual General Meeting. Blank Proxy Form is enclosed.
2. The Explanatory Statement pursuant to Section 102 of Companies Act, 2013, relating to the Special Business as set out in Item Nos. 5 To 11 and relevant details in respect of item No. 3 pursuant to the provision of Clause of the Listing agreement, are annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will be closed from 23.09.2014 to 27.09. 2014 (Both days inclusive) for the purpose of determining eligibility of members entitled to dividend.





4. Members are hereby informed that in terms of the provisions of Section 205A of the Companies Act, 1956, dividend unpaid or claimed within seven years from the date of its transfer to the unpaid dividend account, will be transferred to the Investor Education and Protection Fund (IEPF) established by the Government in terms of the provisions of Section 205C of the Companies Act, 1956.
5. Dividend as may be declared shall be payable to members of the company whose names appear:
  - (a) As beneficial owners as at the close of the business hours on September 22nd, 2014 as per the details to be furnished by the National Securities Depository Limited and the Central Depository Services (India) Limited in respect of shares held in electronic form; and
  - (b) As members in the register of members of the company after giving effect to valid share transfers in physical form lodged with the company on or before September 22, 2014. Transfer documents received after September 22, 2014 will not be considered for the aforesaid purposes.
6. All the members who have either not received or have not yet encashed their dividend warrant(s) for the financial year March 31, 2007 till the period ended March 31, 2013, are requested to write to the Company's Registrar and Share Transfer Agent at the address mentioned below for obtaining duplicate dividend warrant without further delay.
7. Members holding shares in the electronic form are advised that their bank details, as furnished to the company by the respective depositories, viz., NSDL & CDSL, will be printed on the dividend warrants. Members holding shares in electronic form are further advised to communicate to their respective depository participants, changes, if any, in their address/bank account. Members desiring to receive dividend through electronic clearing system may submit the requisition accordingly.
8. Members desirous of getting any information about accounts of the Company are requested to send their queries at the Registered Office of the Company at least 10 days prior to the date of meeting so that the requisite information can be readily made available at the meeting
9. Members / proxies are requested to bring the copies of annual report and attendance slip duly filled while attending the meeting.
10. The Securities and Exchange Board of India has notified that the shareholders/transferee of shares (including joint holders) holding shares in physical form are required to furnish a certified copy of their PAN Card to the Company / RTA while transacting in the securities market including transfer, transmission or any other corporate action. Accordingly, all the shareholders / transferee of shares (including joint holders) are requested to furnish a self attested copy of their PAN Card to the Company / RTA while transacting in the securities market including transfer, transmission or any other corporate action.
11. Electronic copy of the Annual Report for FY 2013-14 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a Physical copy of the same. For members who have not registered their email address, physical copies of the Annual Report for FY 2013-14 are being sent through the permitted mode. Members may also note that the Annual Report for FY 2013-14 will also be available on the Company's website [www.golkunda.com](http://www.golkunda.com) for their download.

## 12. E-Voting

In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration Rules) Rules, 2014, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by CDSL, on all resolutions set forth in this Notice.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 21.09.2014 at 9.00 A.M. and ends on 23.09.2014 at 6.00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 29.08.2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:



	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field.</li> <li>In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.</li> </ul>
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> <li>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.</li> </ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant GOLKUNDADIAMONDS & JEWELLERY LTD on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- (xx) Ms. Hetal Shah, Practicing Company Secretary (Membership No. ACS 24998), has been appointed as the scrutinizer to scrutinize the e-voting process (including the Ballot Form received from the Members who do not have access to the e-voting process) in a fair and transparent manner.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102(2) OF THE COMPANIES ACT, 2013****ITEM 5 TO 7:**

Mr. B. K. Ashok, Mr. Gautam Dadha and Mr. Mangilal Maloo have been the Independent Directors of your Company in terms of Clause 49 of the Listing Agreement and have held office as such for more than 5 (five) years in the Company.

The provisions of the Companies Act, 2013 with respect to appointment and tenure of the Independent Directors have come into force with effect from 1st April, 2014. Accordingly, in terms of provisions of Sections 149, 150, 152, Schedule IV of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, it is proposed to appoint Mr. B. K. Ashok, Mr. Gautam Dadha and Mr. Mangilal Maloo as Independent Directors of the Company for a term up to 5 (five) consecutive years with effect from the date of the Annual General Meeting to be held on 27th September, 2014.

The Company has received a notice in writing from a shareholder along with the requisite deposit pursuant to Section 160 of the Act, proposing the candidatures of Mr. B. K. Ashok, Mr. Gautam Dadha and Mr. Mangilal Maloo for the office of Independent Directors, to be appointed as such under the provisions of Section 149 of the Act.

The Company has received from all the above named Directors (i) consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014, (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that they are not disqualified under sub-section (2) of Section 164 of the Act and (iii) a declaration to the effect that they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Act.

Accordingly, the Ordinary Resolutions proposed in Item Nos. 5 to 7 seek the approval of shareholders for the appointment of Mr. B. K. Ashok, Mr. Gautam Dadha and Mr. Mangilal Maloo as Independent Directors of the Company for a term of 5 (five) consecutive years.

In the opinion of the Board each of the above Directors fulfill the conditions for appointment as an Independent Director as specified in the Act and the Listing Agreement with the Stock Exchanges and they are independent of the management.

Brief profile of all the above Directors, nature of their expertise in specified functional areas and names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.

Except the Independent Directors and their relatives (who may be deemed to be interested in the respective resolutions, to the extent of their shareholdings, if any, in the Company) none of the Directors, Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the Ordinary Resolutions proposed in Item Nos. 5 to 7.

**ITEM 8:**

Tenure of appointment of Mr. Kanti Kumar Dadha as Managing Director expires on 30th September, 2014. Having regards to the knowledge and experience in the Diamonds, Gems & Jewellery Business and likely growth of the business of the Company under his able guidance and supervision, it is proposed, subject to approval of members in the General Meeting to re-appoint Mr. Kanti Kumar Dadha as Chairman and Managing Director of the Company w.e.f. 1st October, 2014 for the period of further Three years. The re-appointment and remuneration has been approved by the Board of Directors and Remuneration Committee in their respective meeting held on 26th May, 2014.

The terms and conditions of the draft agreement are set out herein below:

Period of Appointment: 01.10.2014 to 30.09.2017

Terms of Appointment

Remuneration not exceeding Rs. 2,50,000/- per month including Basic Salary, House Rent Allowance and other Perquisites, Bonus, Performance Incentives, Commission and other additional perquisites as approved by Board from time to time as per the rules of the Company, in the exercise of its discretion, to grant increments and to alter and vary from time to time the terms and conditions of the said appointment, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.

For the purpose of computing ceiling on perquisites, the same will be valued as per Income Tax Rules, 1962 wherever applicable.

Notwithstanding the remuneration payable to Mr. Kanti Kumar Dadha as detailed above, wherein any financial year during tenure of office of Mr. Kanti Kumar Dadha, the Company has no profits or its profits are inadequate the Company shall pay remuneration to Mr. Kanti Kumar Dadha by way of Salary, perquisites and other allowance as the case be, such amount not exceeding the limits prescribed in Schedule V of the Companies Act, 2013 or within such ceiling limits as may be recodified unless otherwise approved by the Central Government.

The following perquisites however shall not be included in the computation of the ceiling on remuneration as stated above.

- (a) contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961;
- (b) gratuity payable at a rate not exceeding half a month's salary for each completed year of service; and
- (c) encashment of leave at the end of the tenure.



**STATEMENT OF INFORMATION AS REQUIRED UNDER SCHEDULE V, PART II, SECTION II (B) (IV):****I: General Information about the Company:**

- Nature of Industry:** The object of the company for which it is formed is to manufacture and deal in polished gems, diamonds and other stones.
- Date of Commencement of Commercial Production:** The Company was incorporated on 30th October, 1990. Immediately after incorporation, the Company has commenced commercial operation and till date the Company is engaged in the business of manufacturer, dealer of polished gems, diamonds and other stones.
- Financial Performance Based on Given Indicators:** The financial data as per last audited Balance Sheet as on 31st March, 2014 are as under:

Particulars	For the Year ended 31.03.2014 (Rs.)
Total Income	1,19,81,22,042
Net Profit Before Depreciation and Tax	8,09,02,496
Depreciation	21,97,140
Net Profit Before Tax	7,87,05,356
Provision for Taxation	2,82,05,289
Net Profit after Tax	5,05,00,067

- Foreign Investments or Collaborators:** The Company has not made any investment in foreign body corporate or foreign entities. The Company do not have any foreign collaboration and has not received or invested any money towards foreign collaboration and hence no information to be provided in this respect.

**II: Information about the Appointee:**

- Brief Profile of Appointee:** Mr. Kanti kumar Dadha holds B.Com Degree. Mr. Kantikumar Dadha has been involved in the activities of the Company since incorporation. He is pioneer in the set up, management and operation of the Manufacturing Division of the Company.
- Past remuneration:** In the past, Mr. Kanti kumar Dadha has drawn Remuneration not exceeding Rs. 2,50,000/- p.m. from the Company.
- Recognition and Award received in past:** Mr. Kantikumar Dadha is associated with the various Social Organizations. However there is no reportable Recognition and Award received.
- Job Profile and Suitability:** Mr. Kantikumar Dadha is responsible for administration, production and direction for the organization. He is responsible for overall strategy and planning of the Company.
- Remuneration proposed:** It is proposed to pay Managerial Remuneration to Mr. Kantikumar Dadha for an amount not exceeding Rs. 2,50,000/- per month.
- Comparative Remuneration in the Industry:** Considering the nature of industry and specialty of services rendered by Mr. Kantikumar and also considering the complex role performed by Mr. Kantikumar Dadha no comparative remuneration of industry is available for information.
- Material Pecuniary Relationship:** Mr. Arvind Dadha is a Whole Time Director, son of Mr. Kanti Kumar Dadha and draws remuneration from the Company. Mr. Ashish Dadha, son of Mr. Kanti Kumar Dadha, is a Senior Executive, Finance draws remuneration from the Company.

**III: Other information:**

- Reason for inadequate Profit and measures taken for improvement:** The Company had to raise its bar on quality and processes to match international standards and in the process, spent substantially on inputs for the same. Also, competitive offer prices for penetration in new markets and offering of new products, resulted in substantial pressure on margin.
- Steps taken and proposed to be taken for improvement:** The Company is taking every possible steps to increase the business volume and thereby profitability. Measures have been taken to controls input costs and overheads. The Company has focused on exports. The bottom-line of the company has been increasing steadily over past 3 years.
- Expected Increase in Profits in Measurable Terms:** Considering the proposed businesses and the projects of the Company, it is not possible to ascertain and quantify the expected increase in profits in measurable terms at this stage. However company expects 20% to 25 % growth in income and profitability in next 3 years.

The appointment can be terminated by either party by giving 3 months notice.

Accordingly, as per the provisions of Sections 161, 196, 197 and any other applicable provisions of the Companies Act, 2013



(corresponding to Sections 260, 198, 269, 309 and any other applicable provisions of the Companies Act, 1956), the Board of Directors recommends the Special Resolution set out at Item No. 8 of the accompanying Notice for the approval of the Members.

None of the Directors except Mr. Kantikumar Dadha and Mr. Arvind Dadha (who may be deemed to be interested in the respective resolutions, to the extent of their shareholdings, if any, in the Company) none of the Directors, Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution proposed in Item Nos. 8.

**ITEM 9:**

Tenure of appointment of Mr. Arvind Dadha as Whole Time Director expires on 30th September, 2014. Having regards to the knowledge and experience in the Diamond & Jewellery Marketing and procurement of Raw Material and likely growth of the business of the company under his able guidance and supervision, it is proposed, subject to approval of members in the General Meeting to re-appoint Mr. Arvind Dadha as Whole Time Director of the Company w.e.f. 1st October, 2014 for the further period of Three years. The re-appointment and remuneration has been approved by the Board and Remuneration Committee in their respective meeting held on 26th May, 2014.

The terms and conditions of the draft agreement are set out herein below:

Period of Appointment: 01.10.2014 to 30.09.2017

Terms of Appointment

Remuneration not exceeding Rs. 2,50,000/- per month including Basic Salary, House Rent Allowance and other Perquisites, Bonus, Performance Incentives, Commission and other additional perquisites as approved by Board from time to time as per the rules of the Company, in the exercise of its discretion, to grant increments and to alter and vary from time to time the terms and conditions of the said appointment, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.

For the purpose of computing ceiling on perquisites, the same will be valued as per Income Tax Rules, 1962 wherever applicable.

Notwithstanding the remuneration payable to Mr. Arvind Dadha as detailed above, wherein any financial year during tenure of office of Mr. Arvind Dadha, the Company has no profits or its profits are inadequate the Company shall pay remuneration to Mr. Arvind Dadha by way of Salary, perquisites and other allowance as the case be, such amount not exceeding the limits prescribed in Schedule V of the Companies Act, 2013 or within such ceiling limits as may be recodified unless otherwise approved by the Central Government.

The following perquisites however shall not be included in the computation of the ceiling on remuneration as stated above.

- (a) contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961;
- (b) gratuity payable at a rate not exceeding half a month's salary for each completed year of service; and
- (c) encashment of leave at the end of the tenure.

**STATEMENT OF INFORMATION AS REQUIRED UNDER SCHEDULE V, PART II, SECTION II (B) (IV):****I: General Information about the Company:**

- 1. **Nature of Industry:** The object of the company for which it is formed is to manufacture and deal in polished gems, diamonds and other stones.
- 2. **Date of Commencement of Commercial Production:** The Company was incorporated on 30th October, 1990. Immediately after incorporation, the Company has commenced commercial operation and till date the Company is engaged in the business of manufacturer, dealer of polished gems, diamonds and other stones.
- 3. **Financial Performance Based on Given Indicators:** The financial data as per last audited Balance Sheet as on 31st March, 2014 are as under:

Particulars	For the Year ended 31.03.2014 (Rs.)
Total Income	1,19,81,22,042
Net Profit Before Depreciation and Tax	8,09,02,496
Depreciation	21,97,140
Net Profit Before Tax	7,87,05,356
Provision for Taxation	2,82,05,289
Net Profit after Tax	5,05,00,067